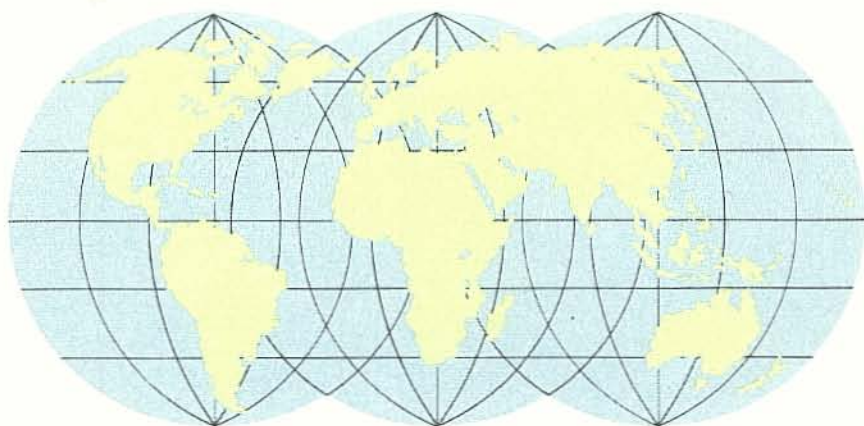
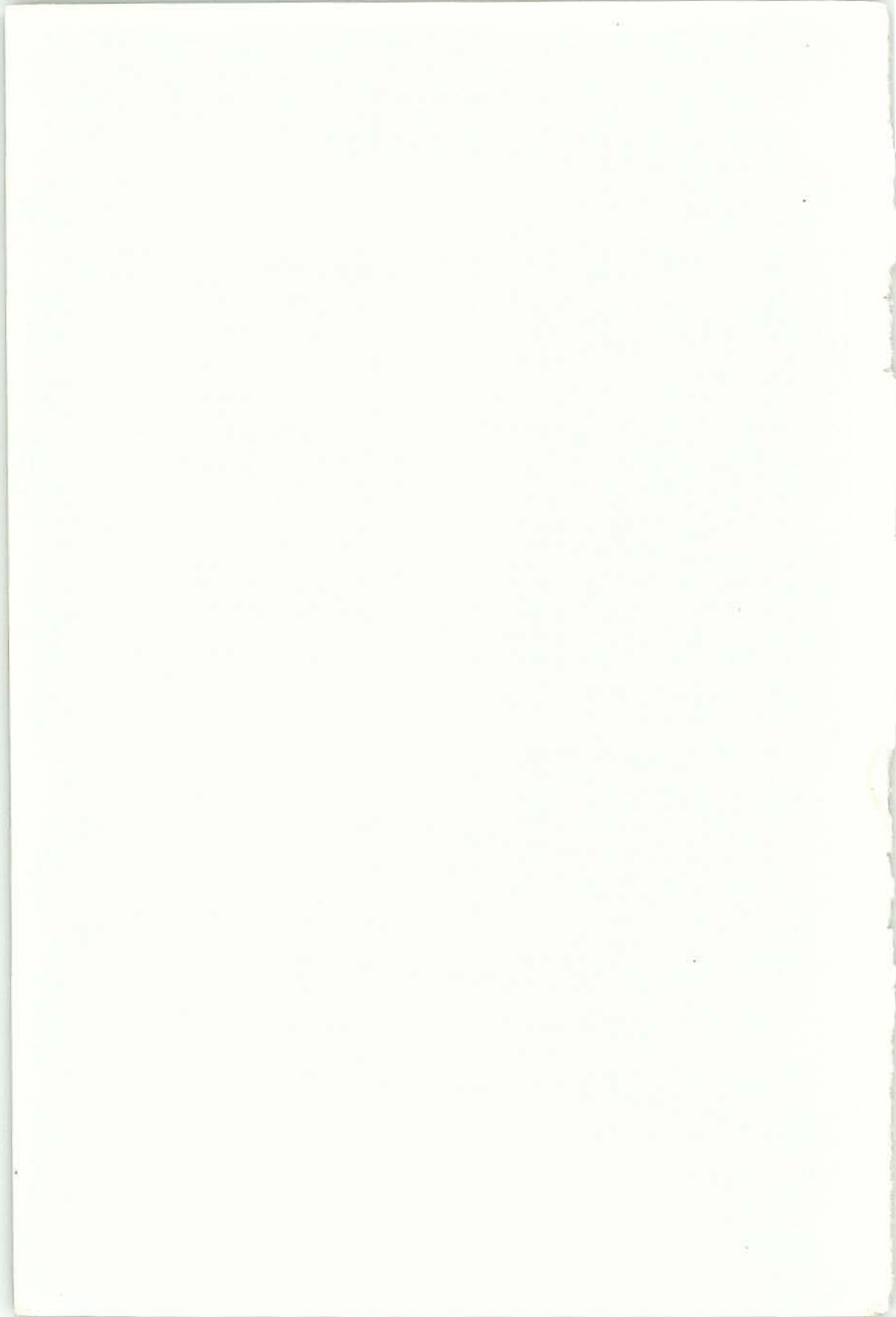


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1972 Annual Report





The Coca-Cola Company

Wilmington, Delaware

**1972
Annual
Report**

The Coca-Cola Company and Subsidiaries

*As a contribution to the conservation of our natural resources
and the protection of the ecology, the paper used in this report
has been manufactured from 100% reclaimed waste paper.*

Letter to Stockholders

March 5, 1973

In 1972 sales and earnings reached an all-time high. Both the domestic and foreign segments of our business contributed to this result.

Consolidated net sales in 1972 were \$1,876,192,397 compared with \$1,728,827,572 in 1971. Consolidated net profit in 1972, after reserves, taxes and all other charges, was \$190,157,427 or \$3.19 a share compared with \$167,814,911 or \$2.82 a share in 1971, an increase of 13.1%.

Stockholders have been advised that the Federal Trade Commission filed complaints against The Coca-Cola Company and other soft drink companies attacking the validity of territorial provisions in bottlers' contracts. Also, there is pending against the Company an anti-trust lawsuit brought by The Coca-Cola Bottling Company of Taft, (Inc.), challenging the territorial provisions. Management of the Company has continued to affirm its intention to defend vigorously the integrity of its

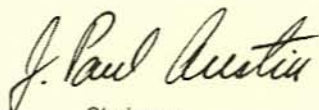
contracts with bottlers. It is likely that litigation could extend over a period of years.

J. Lucian Smith was elected a Director of the Company on August 7, 1972; George S. Craft was elected a Director on November 20, 1972.

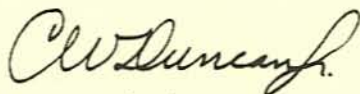
On March 5, 1973, the Board of Directors increased the quarterly dividend rate by 4%, from 41¢ a share to 42½¢ a share, this being the maximum amount allowed under the guideline of the President's Committee on Interest and Dividends, which continues in effect. This marks the eleventh consecutive year the dividend rate has been increased.

A separate mailing to stockholders will contain the proxy, proxy statement and notice of annual meeting of stockholders to be held on Monday, May 7, 1973, at 10:00 A.M., Wilmington time, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

For the Board of Directors



Chairman



President

Board of Directors

J. Paul Austin, Atlanta, Ga.

*Chairman, Board of Directors,
The Coca-Cola Company*

C. H. Candler, Jr., Atlanta, Ga.

Director of Various Corporations

Thomas H. Choate, New York, N.Y.

Investments

J. C. Cleaver, Milwaukee, Wis.

*Retired. Former Chairman,
Board of Directors, Aqua-Chem, Inc.*

William A. Coolidge, Cambridge, Mass.

Director of Various Corporations

George S. Craft, Atlanta, Ga.

*Chairman, Board of Directors,
Trust Company of Georgia*

Charles W. Duncan, Jr., Atlanta, Ga.

President, The Coca-Cola Company

F. B. Eisenberg, Atlanta, Ga.

*Senior Vice President and Treasurer,
The Coca-Cola Company*

James A. Farley, New York, N.Y.

*Chairman, Board of Directors,
The Coca-Cola Export Corporation*

R. W. Freeman, New Orleans, La.

*Chairman, Board of Directors,
The Louisiana Coca-Cola Bottling Company, Ltd.*

Lindsey Hopkins, Miami, Fla.

Chairman, Board of Directors, Security Trust Company

John T. Lupton, Chattanooga, Tenn.

*President, The Coca-Cola Bottling Works, Inc. (Dallas)
and Houston Coca-Cola Bottling Company*

John A. Sibley, Atlanta, Ga.

*Honorary Chairman, Board of Directors,
Trust Company of Georgia*

J. Lucian Smith, Atlanta, Ga.

*President, Coca-Cola USA,
A Division of The Coca-Cola Company and
Vice President, The Coca-Cola Company*

John R. Talley, Atlanta, Ga.

*President, The Coca-Cola Export Corporation and
Vice President, The Coca-Cola Company*

D. A. Turner, Columbus, Ga.

*Chairman, Boards of Directors,
Columbus Bank & Trust Co. and W. C. Bradley Co.*

George W. Woodruff, Atlanta, Ga.

Director of Various Corporations

R. W. Woodruff, Atlanta, Ga.

Chairman, Finance Committee, The Coca-Cola Company

The Coca-Cola Company

Officers

J. Paul Austin *Chairman, Board of Directors*
Charles W. Duncan, Jr. *President*

Senior Vice Presidents

Charles W. Adams
Fred W. Dickson
F. B. Eisenberg
C. A. Shillinglaw

Vice Presidents

Edward Aborn
Richard F. Atwood
C. E. Boyd, Jr.
R. J. Broadwater
Ovid R. Davis
Paul L. Dillingham
Roberto C. Goizueta
Richard D. Harvey
J. W. Jones
Donald R. Keough
J. J. McGourty
Hugh W. Schwarz
J. H. Smit
J. Lucian Smith
John R. Talley

Richard F. Atwood *General Counsel*
F. B. Eisenberg *Treasurer*
J. J. McGourty *Controller*
Fred S. Perrin *Secretary*

The Coca-Cola Company and Subsidiaries

Consolidated Statement of Profit and Loss

	YEAR ENDED DECEMBER 31,	
	1972	1971
Net sales.....	\$1,876,192,397	\$1,728,827,572
Cost of goods sold.....	995,340,910	927,334,862
GROSS PROFIT.....	880,851,487	801,492,710
Selling, administrative and general expenses....	522,614,889	477,845,342
OPERATING PROFIT.....	358,236,598	323,647,368
Other income.....	15,486,690	14,927,299
	373,723,288	338,574,667
Less other deductions.....	10,921,861	11,015,756
PROFIT BEFORE TAXES ON INCOME....	362,801,427	327,558,911
Provision for taxes on income.....	172,644,000	159,744,000
NET PROFIT.....	\$ 190,157,427	\$ 167,814,911
Net profit per share of common stock.....	\$3.19	\$2.82

Consolidated Statement of Earned Surplus

	YEAR ENDED DECEMBER 31,	
	1972	1971
Balance at January 1.....	\$ 622,374,362	\$ 548,739,856
Net profit for the year.....	190,157,427	167,814,911
	812,531,789	716,554,767
Dividends paid in cash (per share— 1972, \$1.64; 1971, \$1.58).....	97,912,992	94,180,405
BALANCE AT DECEMBER 31.....	\$ 714,618,797	\$ 622,374,362

The Coca-Cola Company and Subsidiaries

Assets

	DECEMBER 31,	
	1972	1971
CURRENT:		
Cash	\$ 61,965,210	\$ 56,452,687
U. S. Government and other marketable securities—at cost (market price—1972, \$175,430,622; 1971, \$136,640,523) . . .	175,450,755	136,824,298
Trade accounts receivable (less allowance—1972, \$2,246,865; 1971, \$2,076,547)	137,546,883	129,757,262
Inventories	221,885,914	190,948,151
Prepaid expenses	24,231,820	22,685,309
TOTAL CURRENT ASSETS	621,080,582	536,667,707
MISCELLANEOUS INVESTMENTS AND OTHER ASSETS	55,681,056	52,205,443
PROPERTY, PLANT AND EQUIPMENT:		
Land and improvements	64,118,650	55,809,693
Buildings	219,702,043	201,738,511
Machinery and equipment	448,374,509	420,428,402
Containers	91,305,093	84,181,978
	823,500,295	762,158,584
Less allowance for depreciation	325,004,218	297,443,857
	498,496,077	464,714,727
FORMULAE, TRADE-MARKS AND GOODWILL	56,355,172	54,285,595
	\$1,231,612,887	\$1,107,873,472

Consolidated Balance Sheet

Liabilities

	DECEMBER 31,	
	1972	1971
CURRENT:		
Notes payable	\$ 25,048,118	\$ 20,408,887
Current maturities of long-term debt	2,409,544	3,652,253
Accounts payable and accrued accounts	152,738,192	139,734,500
Accrued taxes—including taxes on income	93,347,674	82,173,634
TOTAL CURRENT LIABILITIES	273,543,528	245,969,274
LONG-TERM DEBT	7,090,995	10,841,238
RESERVE FOR FOREIGN OPERATIONS	101,655,814	101,655,814
DEFERRED INCOME TAXES	15,700,673	13,025,340
CAPITAL STOCK AND SURPLUS:		
Common stock—no par value; authorized 70,000,000 shares; (issued 1972, 59,742,765 shares; 1971, 59,657,048 shares)	60,104,484	60,017,910
Capital surplus	59,087,550	54,178,488
Earned surplus	714,618,797	622,374,362
	833,810,831	736,570,760
Less 6,166 shares of stock held in treasury— at cost	188,954	188,954
	833,621,877	736,381,806
	<u>\$1,231,612,887</u>	<u>\$1,107,873,472</u>

The Coca-Cola Company and Subsidiaries

Consolidated Statement of Changes in Financial Position

	DECEMBER 31,	
	1972	1971
SOURCE OF WORKING CAPITAL		
From operations:		
Net profit for year	\$ 190,157,427	\$ 167,814,911
Add charges not requiring outlay of working capital during the year:		
Provision for depreciation	55,324,688	52,108,268
Deferred income taxes	2,675,333	523,764
Other	10,585,727	5,311,543
TOTAL FROM OPERATIONS	258,743,175	225,758,486
Disposals of property, plant and equipment	13,822,028	17,686,015
Proceeds from exercise of stock options	4,995,556	8,506,610
Other items	—	1,005,562
	<u>277,560,759</u>	<u>252,956,673</u>
APPLICATION OF WORKING CAPITAL		
Cash dividends	97,912,992	94,180,405
Additions to property, plant and equipment	113,513,793	99,258,584
Increase in miscellaneous investments and other assets	3,475,613	4,560,822
Decrease in long-term debt	3,750,243	5,236,051
Other items, net	2,069,497	—
	<u>220,722,138</u>	<u>203,235,862</u>
INCREASE IN WORKING CAPITAL	56,838,621	49,720,811
Working capital at beginning of year	290,698,433	240,977,622
WORKING CAPITAL AT END OF YEAR	<u>\$ 347,537,054</u>	<u>\$ 290,698,433</u>
INCREASE (DECREASE) IN WORKING CAPITAL, BY COMPONENTS		
Cash	\$ 5,512,523	\$ (14,770,695)
U. S. Government and other marketable securities	38,626,457	57,250,541
Trade accounts receivable	7,789,621	8,303,421
Inventories	30,937,763	20,078,477
Prepaid expenses	1,546,511	3,526,496
Notes payable	(4,639,231)	(7,038,171)
Current maturities of long-term debt	1,242,709	110,202
Accounts payable and accrued accounts	(13,003,692)	(3,337,429)
Accrued taxes—including taxes on income	(11,174,040)	(14,402,031)
INCREASE IN WORKING CAPITAL	<u>\$ 56,838,621</u>	<u>\$ 49,720,811</u>

Notes to Financial Statements

1. Accounting Policies. The major accounting policies and practices followed by the Company and its subsidiaries are as follows:

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation. The Company's investment in majority-owned subsidiaries and certain affiliated companies is stated at cost plus equity in the net profit of these companies subsequent to date of acquisition, and the Company's equity in the net profit of these companies is included in the consolidated statements of profit and loss.

Amounts with respect to consolidated foreign subsidiaries have been translated in terms of United States dollars as follows: property accounts, investments in foreign securities, and formulae, trade-marks and goodwill were translated at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at year-end; income and expenses were translated at rates of exchange prevailing during the year except as to depreciation which was translated on the same basis as the related property accounts.

The reserve for foreign operations was established prior to 1969 by appropriations from income representing unremitted foreign profits and is available to absorb abnormal foreign exchange revaluations and abnormal losses on foreign operations.

Inventories are stated at the lower of cost (principally average or first-in, first-out method) or market except that inventories of certain major citrus concentrate products are stated at the lower of cost (last-in, first-out method) or market.

Property, plant and equipment is stated at cost, less allowance for depreciation, except that foreign subsidiaries carry bottles and shells in service at amounts (less than cost) which, in general, correspond with deposit prices obtained from customers. Approximately 60% of depreciation for each year was determined by the straight-line method and the remainder by accelerated methods. A portion of the depreciation determined by the straight-line method for financial statement purposes has been calculated on accelerated methods for income tax purposes. Deferred income taxes have been provided to recognize timing differences in reporting depreciation for accounting and tax purposes. The investment tax credit, which is not material in amount, is accounted for by the flow-through method.

Formulae, trade-marks and goodwill are stated on the basis of cost and if purchased subsequent to October 31, 1970, are being amortized over the estimated future periods to be benefited (not exceeding 40 years).

Research and development costs generally are charged to profit as incurred.

2. Foreign Operations. The Company's investments in consolidated subsidiaries outside the United States are shown below:

	December 31,	
	1972	1971
Current assets	\$203,869,384	\$175,677,126
Property, plant and equipment—net	200,043,912	174,196,616
Other assets	50,004,670	43,649,997
	453,917,966	393,523,739
Liabilities	167,508,642	148,448,776
Net assets	<u>\$286,409,324</u>	<u>\$245,074,963</u>

Notes to Financial Statements (continued)

Net sales for foreign operations were 41% of total net sales in 1972 and 39% in 1971; profits attributable to such business, after allocation of general corporate expenses, amounted to approximately 55% of total profits in 1972 and 53% in 1971.

Appropriate U.S. and foreign income taxes have been accrued on profits of subsidiary companies which are expected to be remitted to the parent company in the near future. Unremitted profits of foreign subsidiaries which are expected to be required for use in the foreign operations amounted to approximately \$34,000,000 at December 31, 1972, exclusive of amounts which if remitted would result in little or no tax.

3. Stock Options. Options are held by officers and employees of the Company and its subsidiaries to purchase shares of the Company's common stock at prices ranging principally from \$17.77 to \$128.75 per share in 1972 and from \$17.77 to \$96.32 per share in 1971. Further information relating to the options is as follows:

	1972	1971
Options outstanding at January 1	277,336	484,194
Options granted during the year	59,800	7,900
Options exercised during the year	(85,713)	(208,248)
Options cancelled during the year through death, retirement or resignation	(5,056)	(6,510)
Options outstanding at December 31	<u>246,367</u>	<u>277,336</u>
Options exercisable at December 31	<u>115,009</u>	<u>142,280</u>
Shares available for option which may be granted ..	<u>55,767</u>	<u>110,511</u>

4. Pension Plans. The Company and its subsidiaries have various pension plans covering substantially all employees, including certain employees in foreign countries. Pension expense determined under various actuarial cost methods, principally aggregate level cost method, amounted to \$11,028,277 in 1972 and \$10,643,256 in 1971. In general, pension costs are funded when accrued.

5. Changes in Capital during 1971 and 1972 are as follows:

	Common Stock Issued		Capital Surplus
	Shares	Amount	
Balance January 1, 1971	59,466,020	\$59,824,972	\$46,510,457
Sale of stock (191,028 shares of previously unissued and 17,220 shares of treasury) to employees exercising stock options	191,028	192,938	7,668,031
Balance December 31, 1971	59,657,048	60,017,910	54,178,488
Sale of stock to employees exercising stock options	85,713	86,570	4,908,986
Other	4	4	76
Balance December 31, 1972	<u>59,742,765</u>	<u>\$60,104,484</u>	<u>\$59,087,550</u>

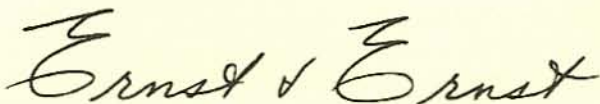
Accountants' Report

To the Board of Directors
The Coca-Cola Company
Wilmington, Delaware

We have examined the consolidated balance sheet of The Coca-Cola Company and subsidiaries as of December 31, 1972, and December 31, 1971, and the related consolidated statements of profit and loss, earned surplus, and changes in financial position for the two years ended December 31, 1972. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered

necessary in the circumstances.

In our opinion, the accompanying statements, as identified above, present fairly the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1972, and December 31, 1971, and the consolidated results of their operations, changes in capital, and changes in financial position for the two years ended December 31, 1972, in conformity with generally accepted accounting principles applied on a consistent basis.

A handwritten signature in cursive script that reads "Ernst & Ernst". The signature is written in dark ink and is centered on the page.

Atlanta, Georgia
February 28, 1973

The Coca-Cola Company

Divisions

Coca-Cola USA

Atlanta, Georgia

J. Lucian Smith *President*

Senior Vice Presidents

Ira C. Herbert

John H. Ogden

Vice Presidents

J. E. Bilbo

Clifton E. Hewell

A. E. Pickhardt

J. Allen Brent

Charles K. Holmes, Jr.

William R. Saltmer

Homer C. Burrous

William S. Judkins

Francis H. Spears

Wilson P. Franklin

Malcolm A. McNiven

Walter L. Susong

Ralph H. Garrard

John M. Mount

James F. Williams

T. H. Gibson

Homer D. Olson

James W. Wimberly

Charles S. Lord *Secretary and Treasurer*

The Coca-Cola Company Foods Division

Houston, Texas

Donald R. Keough *President*

Vice Presidents

Harold Broadway

Norman W. Jenkins, Jr.

Albert G. Munkelt

Thomas C. Cleveland

W. M. Kelly

James L. Parker

Robert V. Fey

B. M. Middlebrooks

Maurice C. Roe

John J. Gillin

Matt S. Miller

George W. Truitt

Lee S. Harrow

Harold D. Wakefield

Roland G. Parker *Treasurer*

John N. Touchstone *Secretary*

Tenco

Linden, New Jersey

Edward Aborn *President*

Vice Presidents

Frank W. Bachmann

Edward T. Down

Evan A. Dickson

John M. Miller

Philip Sacher

Frank W. Bachmann *Secretary*

Coca-Cola Ltd.

Toronto, Ontario, Canada

R. E. Sewell *Chairman, Board of Directors*
G. J. Leonidas *President*

Senior Vice Presidents

A. B. Ballentine
L. M. Hunter

Vice Presidents

G. D. Millson
D. C. Robinson
W. F. Sherer

D. C. Robinson *Treasurer*
A. B. Ballentine *Secretary*

Aqua-Chem, Inc.

Milwaukee, Wisconsin

John K. Collings, Jr. *Chairman, Board of Directors*
Jerome E. Vielehr *President*

Vice Presidents

Edward G. Giery
Armando B. Steinbruchel

Jerome E. Vielehr *Treasurer*
Robert P. Harland *Secretary*

The Coca-Cola Export Corporation

Atlanta, Georgia

James A. Farley, New York *Chairman, Board of Directors*
John R. Talley, Atlanta *President*
C. M. Halle, Atlanta *Executive Vice President*

Senior Vice Presidents

P. W. D. Fairbarns, Hong Kong
M. H. Farnsworth, Coral Gables
A. E. Killeen, Johannesburg
H. F. MacMillan, Atlanta
R. C. Munsche, Atlanta
H. B. Nicholson, Jr., London
Klaus Putter, London
J. W. Rintelen, New York
J. H. Smit, Atlanta
C. P. Stephens, Atlanta

Vice Presidents

S. Ayoub, Atlanta
M. W. Bates, Atlanta
R. N. Chrane, Atlanta
C. H. Hodgkins, Atlanta
Miguel B. Macias, Atlanta
A. Malaspina, Atlanta
T. Nowak, Atlanta
D. G. Sisler, Atlanta
C. G. Zogran, Atlanta

C. H. Hodgkins, Atlanta *General Counsel*
S. Ayoub, Atlanta *Treasurer*
J. F. Staresinich, Atlanta *Controller*
H. F. MacMillan, Atlanta *Secretary*

The Coca-Cola Export Corporation Zone Divisions

Coca-Cola Africa

A. E. Killeen, Johannesburg *Chairman*

Vice Presidents

A. Young, Nairobi

I. R. Wilson, Johannesburg

Coca-Cola Asia

P. W. D. Fairbairns, Hong Kong *President*

Coca-Cola Europe

H. B. Nicholson, Jr., London *Chairman*

Klaus Putter, London *President*

Senior Vice Presidents

Ignazio Graul, Rome

J. M. S. de Vicuna, Madrid

Vice Presidents

F. H. R. Baraldi, London

V. G. Hoppers, London

Harald Berkessel, Essen

C. E. Hulley, Athens

A. J. Boller, London

A. A. Joary, Brussels

Sergio S. Dolfi, London

G. J. Marazzini, Milan

Georg Fleischer, Essen

Kisan Mehta, New Delhi

C. Hochman, Paris

E. van Steeden, London

Coca-Cola Latin America

M. H. Farnsworth, Coral Gables *Chairman*

W. O. Solms, Coral Gables *President*

Senior Vice Presidents

H. T. Circuit, Jr., Mexico City

Felix Van de Walle, Buenos Aires

Vice Presidents

E. E. Bledel, Coral Gables

B. F. Dyson, Mexico City

H. Caceres, Coral Gables

A. T. Russell, Jr., Coral Gables

J. R. Carpenter, Coral Gables

H. F. Wilds, Jr., Coral Gables

Dividend Disbursing Agent

Trust Company of Georgia
Corporate Trust Department
P.O. Drawer 4625
Atlanta, Georgia 30302

Transfer Agents/Registrars

Trust Company of Georgia
Corporate Trust Department
P.O. Drawer 4625
Atlanta, Georgia 30302

Morgan Guaranty Trust Company of New York
Stock Transfer Department
30 West Broadway
New York, New York 10015



